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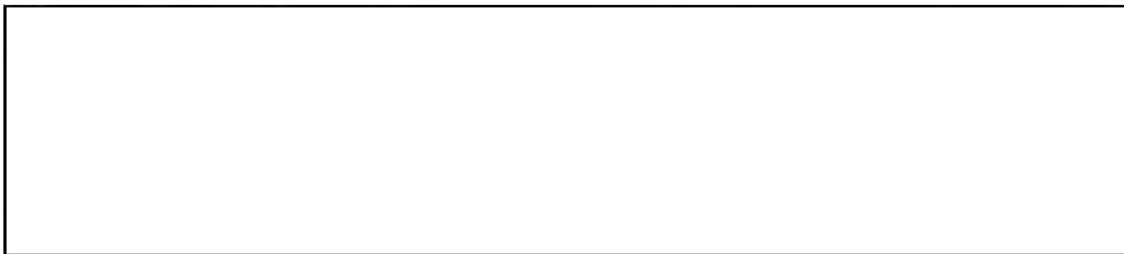
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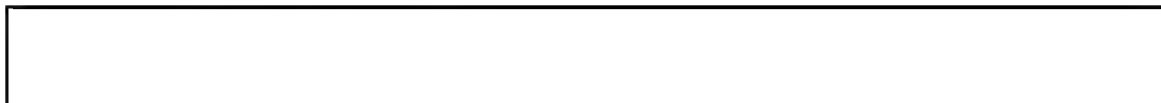
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PORTUGAL

Political maneuvering is continuing in Portugal in the aftermath of last month's inconclusive legislative assembly elections, but there are numerous signs a consensus is near on a presidential candidate and that support for the Socialists' plan to form a minority government is picking up.

Speculation concerning presidential candidates centers on Army Chief of Staff General Ramalho Eanes.

[REDACTED]

The 41-year-old infantry officer was one of the key organizers of the April 1974 coup that overthrew Caetano. Eanes also masterminded the military's successful riposte to the leftist rebellion last November. Since his appointment to the army's top post last November, he has worked to depoliticize the army and restore military discipline. The faction which Eanes heads in the Revolutionary Council is believed to have broad support within the Portuguese armed forces.

Eanes until now has said he will accept a presidential nomination only if there is no other choice. Since the assembly elections, however, he has come under increasing pressure to run.

[REDACTED]

Meanwhile, the Socialist Party's proposal to form a minority government after the presidential election on June 27 appears to be gaining acceptance both among the military leaders and among the other parties. Last week, Revolutionary Council spokesman Captain Sousa e Castro endorsed the Socialist plan, arguing that it had sound constitutional grounds and was consistent with the assembly election results, which gave the Socialists a plurality. Sousa e Castro said a Socialist government should receive the full support of the armed forces, although he stressed that this was only his personal view.

[REDACTED]

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LEBANON

Fighting in Beirut's port district dropped sharply yesterday as Syrian-controlled Palestine Liberation Army troops took over positions between Christians and Muslims. Heavy artillery exchanges continued, however, in neighboring suburbs and in the mountain villages east of the capital. Efforts to arrange an agreement between leftist leader Kamal Jumblatt and Christian leaders to end the bombardment are apparently having some success.

Lebanese politicians are increasingly pessimistic about the prospects for holding the presidential election this weekend. The delegation of uncommitted parliamentary deputies that went to Damascus earlier this week apparently was unable to persuade the Syrians to shift their support from Ilyas Sarkis to a compromise candidate. Damascus is adamantly opposed to Jumblatt's choice, Raymond Edde, who recently stepped up his accusations of Syrian interference in the campaign.

Yasir Arafat is trying to resolve the dispute between Jumblatt and the Syrians over the presidential succession. He must convince Jumblatt not only to accept Sarkis but also to back down from his demands for an immediate Syrian military withdrawal from Lebanon.

If Arafat fails, there is little chance that elections will be held on schedule.



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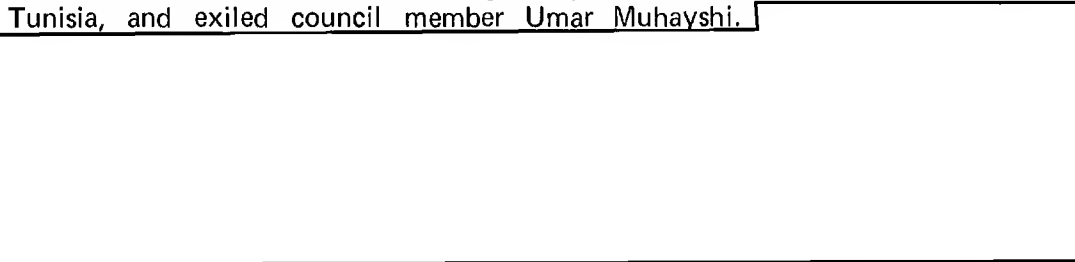
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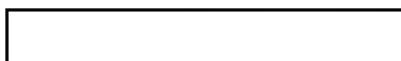
LIBYA

Libya's ruling Revolutionary Command Council this week offered amnesty to 15 exiled leaders of the pre-1969 regime of former King Idris. The group—which includes Umar Shalhi and Abdullah Senussi, who once attempted to overthrow President Qadhafi—was invited to return to Libya to participate in the "ambitious social and economic development plans of the revolutionary government."

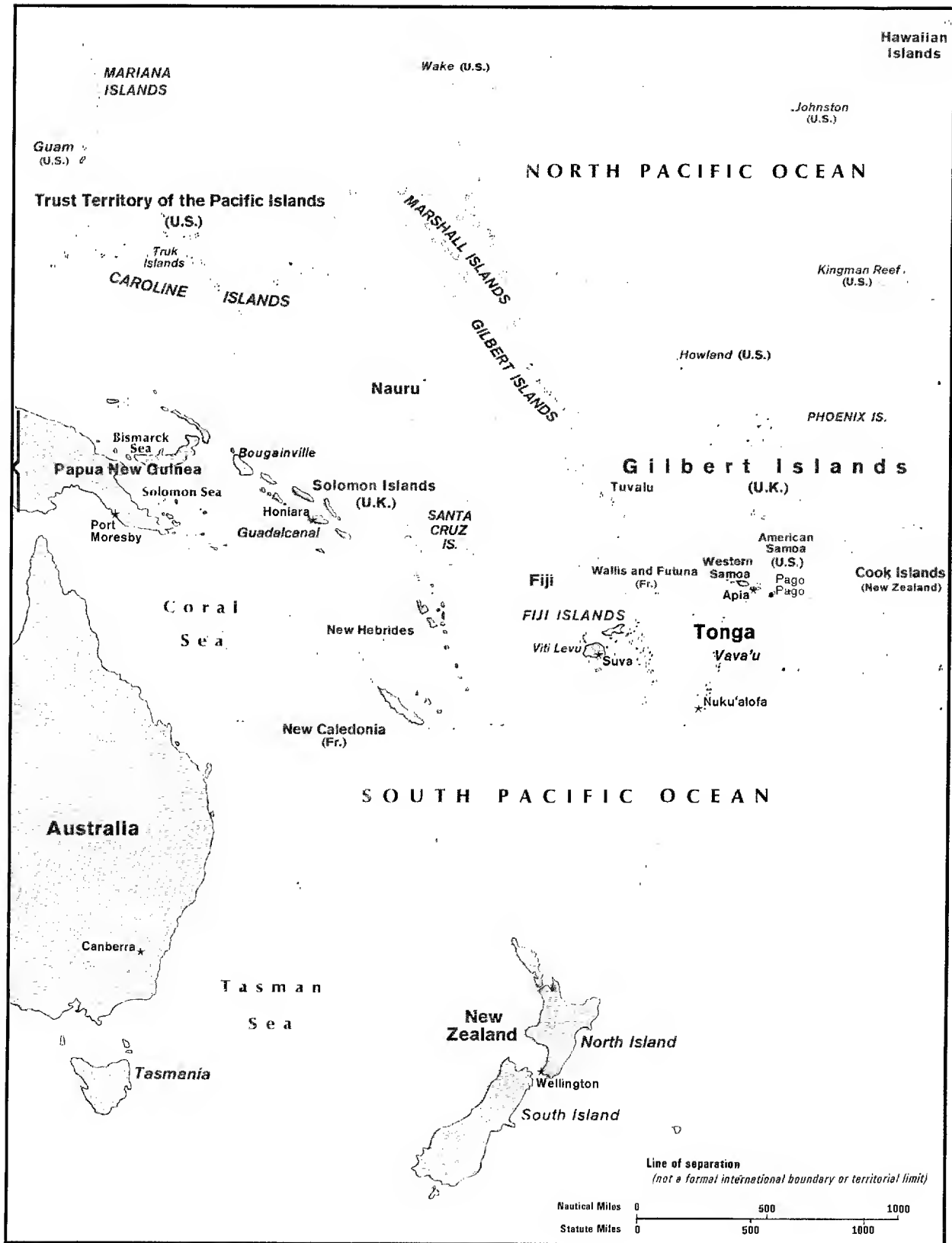
This unprecedented action is an indication that Qadhafi is feeling increasingly insecure as a result of the continuing heavy attacks on his government by Egypt, Tunisia, and exiled council member Umar Muhayshi.



Libya's conservative business elite may be persuaded by this line. Although generally opposed to Qadhafi, they have not worked actively against him because of their desire for stability. Qadhafi's more forceful critics in the universities and the army officer corps, however, will not temper their opposition either as a result of the amnesty or of Kharubi's appeals.



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TONGA-USSR

The Soviets recently talked to officials of the Pacific island kingdom of Tonga about gaining access to the deep-water port of Vava'u.

Moscow apparently is asking permission for bunkering and some maintenance for ships and aircraft supplying bases in Antarctica. Large-scale development of the port would be necessary before the Soviets could use it for more than minimal visits.

25X1 The discussions took place during the presentation of the first Soviet ambassador's credentials to the government. [REDACTED]

25X1 The King of Tonga, who has previously complained about the amount of aid he receives from the UK and other Western countries, may be using the threat of a communist presence in order to obtain more funds from the West. [REDACTED]

25X1 [REDACTED] Moscow, in fact, has not always followed through with similar offers to other young nations. [REDACTED]

25X1 [REDACTED]

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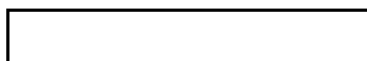
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USSR-CHINA

Moscow has not shown undue concern about the explosion last week outside the gates of its embassy in Peking. Although Moscow lodged a protest immediately after the incident, Soviet embassy officials in the Chinese capital now say that the explosion, in which at least two Chinese guards were killed, was the work of "madmen" and the Chinese government was not directly involved. Soviet media have not sought to capitalize on the incident.

There has been no indication that the Soviets tie the explosion to any infighting in Peking over policy toward Moscow, but that possibility may be one reason the Soviets are playing down the incident.

Soviet officials also say it was a miracle no embassy personnel were killed or injured. They are complaining about the Chinese investigation, which is still going on. The Chinese have said nothing publicly about the incident, but a Foreign Ministry spokesman reportedly told foreign journalists it was the work of a "counterrevolutionary."



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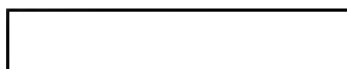
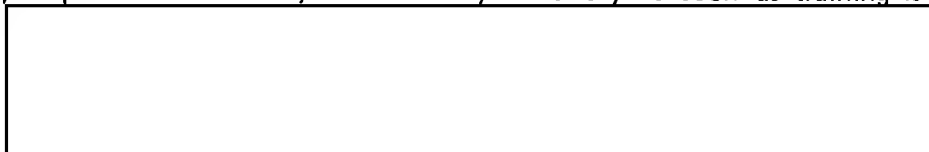
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USSR-SYRIA

Syria reportedly has received some self-propelled artillery weapons from the USSR. According to one report, at least 24 122-mm. M-1974 self-propelled artillery pieces were delivered to Latakia in January.

This would be the first time the Soviets have sent the self-propelled artillery weapon to a country outside of the Warsaw Pact. Poland and Czechoslovakia each received 12 of the weapons in 1974 and 1975. This weapon went into series production in 1972 and total production in 1975 is estimated at only 850.

The Syrian army has long been aware of its deficiency in self-propelled artillery. During the October 1973 war, it used a 122-mm. howitzer mounted on a T-34 tank chassis to provide increased mobility. The new Soviet weapon will significantly improve the mobility of the army's artillery as soon as training is completed.



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FOR THE RECORD

PANAMA: The fishing dispute that has kept two US tuna vessels bottled up in the Canal Zone for over a week may be nearing resolution. Chief of Government Torrijos has apparently backed off from his plan to fine the two ships—charged with illegal fishing—the maximum \$100,000 each. Instead, he now appears willing to allow them to purchase retroactive licenses based on tonnage for about \$20,000 each. This solution may avoid the automatic reduction of US aid or cutoff of US military assistance to a country that seizes or fines US fishing boats, as prescribed by US law. The lowering of the government's demands will be difficult to explain to the Panamanian public, however.

* * * *

HONDURAS: Five Super Mystere jets purchased from Israel as part of a \$15-million arms deal arrived in Honduras late last month.

The aircraft purchase was probably made to counter El Salvador's acquisition of 18 Ouragan jets from Israel in 1973. Neither side, however, has any prospect of training an adequate number of pilots to fly the planes it has purchased. Such excessive arms purchases will put a further strain on the limited resources of both countries and on their already uneasy relations.

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